

IN SENATE OF THE UNITED STATES.

FEBRUARY 17, 1846.

Submitted, and ordered to be printed.

Mr. BREESE made the following

REPORT :

[To accompany bill S. No. 80.]

The Committee on Public Lands having had under consideration "a bill declaring the assent of Congress to the State of Illinois, to impose a tax upon all lands hereafter sold by the United States in that State from and after the time of such sale," respectfully ask leave to report :

By the act of the 18th of April, 1818, to enable the people of the Territory of Illinois to form a constitution and State government, and for the admission of said State into the Union, four propositions were submitted by Congress for the free acceptance or rejection of the convention, on the conditions that the convention of the said State should provide, by an ordinance irrevocable without the consent of the United States, that every and each tract of land sold by the United States from and after the first day of January, 1819, should remain exempt from any tax laid by order or under any authority of the State, whether for State, county, or township, or any other purpose whatever, for the term of five years from and after the day of sale. The propositions were accepted, and the ordinance enacted by the convention. The object of the bill is to procure the assent of Congress to its revocation.

Without this ordinance, it is manifest the State would have had the right, in virtue of her sovereignty, to tax all the lands from and after the day of sale, and to sell them for the taxes in default of their payment, for the power to tax involves the right to sell them. At the time of its adoption, the lands of the United States were sold on a credit of five years, payable in annual instalments. No absolute sale was made ; it was a mere *contract* to sell—the title yet remaining in the United States. Hence the necessity and the reason of the ordinance, and not, as some suppose, to induce to the purchase of the lands.

Since 1820, a different mode of disposing of the public lands has prevailed ; they are now sold for cash, all the interest of the United States which this ordinance was designed to protect passing to the purchasers at the time of sale. Hence it is, no such compact has been entered into with any one of the new States admitted into the Union since 1820. None exists with Michigan, Arkansas, or Florida, and none is proposed for Iowa.

To place all the new States upon an equality in this regard, seems to be just. They are losing much revenue annually by the compacts, and no benefit resulting from them to the United States. That this loss is very considerable, may be judged of by the fact, that during the last year there were sold in Illinois 486,836.34 acres of public land, which cannot be taxable for State purposes until the expiration of five years from the sale. In the last four years there have been sold in that State 1,823,418.98 acres, none of which is yet taxable, and so in a less degree in all the new States with which the same compact exists.

As, however, no other State but Illinois has applied for a revocation of the compact, the committee have not thought it expedient to amend the bill so as to embrace them. They are content to report it without amendment, with a recommendation that it do pass.

REPORT:

(The accompanying bill is No. 80.)

The Committee on Public Lands having had under consideration "A bill to amend the act of Congress to the State of Illinois, to impose a tax upon all lands heretofore sold by the United States in that State, from and after the time of such sale," respectfully ask leave to report.

By the act of the 18th of April, 1818, to enable the people of the Territory of Illinois to form a constitution and State government, and for the admission of said State into the Union, four propositions were submitted by Congress for the free acceptance or rejection of the convention, on the conditions that the constitution of the said State should provide by an ordinance irrevocable without the consent of the United States, that every acre of land sold by the United States from and after the first day of January, 1818, should remain exempt from any tax laid by order or under any authority of the State, whether for State, county, or township, or any other purpose whatever, for the term of five years from and after the day of sale. The propositions were accepted, and the ordinance enacted by the convention. The object of the bill is to procure the assent of Congress to its revocation.

Without this ordinance it is manifest the State would have had the right in virtue of her sovereignty to tax all the lands from and after the day of sale, and to sell them for the taxes in default of their payment for the year to tax involves the right to sell them. At the time of its adoption, the lands of the United States were sold on a credit of five years, payable in annual installments. No absolute sale was made; it was a mere contract to sell—the title yet remaining in the United States. Hence the necessity and the reason of the ordinance, and not, as some suppose, to induce the purchase of the lands.

Since 1820, a different mode of disposing of the public lands has prevailed; they are now sold for cash, all the interest of the United States at which this ordinance was designed to prevent passing to the purchasers at the time of sale. Hence it is, no such compact has been entered into with any one of the new States admitted into the Union since 1820. None exists with Michigan, Arkansas, or Florida, and none is proposed for Iowa.